

Utah State Building Board



MEETING

January 7, 2004

MINUTES

Utah State Building Board Members in attendance:

Larry Jardine, Chair
Kerry Casaday, Vice-Chair
Steven Bankhead
Manuel Torres
Katherina Holzhauser
Kerry Casaday
Darren Mansell
Cyndi Gilbert

DFCM and Guests in attendance:

F. Keith Stepan	Division of Facilities Construction & Management
Kenneth Nye	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Representative Loraine Pace	House of Representatives
Randa Bezzant	Governor's Office of Planning and Budget
Kevin Walthers	Legislative Fiscal Analyst's Office
Mark Spencer	Utah System of Higher Education
Michael Wollenzien	Office of Rehabilitation
Raymond Duda	Utah National Guard
Col. Craig V. Morgan	Utah National Guard
Jackie McGill	Spectrum Engineers
Matt Rich	Jacobsen Construction
Jeremy Blanck	Okland Construction
Mark Burton	State Fire Marshall's Office
Paul Hacking	Uintah Basin ATC
Keith Sprouse	Uintah Basin ATC
Bob Askerlund	Salt Lake Community College
Gordon Storrs	Salt Lake Community College
Gary Adams	Department of Workforce Services
Dennis Geary	College of Eastern Utah
Mike Perez	University of Utah

RoLynne Christensen
David Hart

VCBO Architecture
Capitol Preservation Board

On Wednesday, January 7, 2004, the Utah State Building Board held a regularly scheduled meeting at the Utah State Capitol, Committee Room 129, Salt Lake City, Utah. Chairman Larry Jardine called the meeting to order at 9:00am.

☐ **APPROVAL OF MINUTES OF DECEMBER 3, 2003**

Chair Jardine sought comments on the meeting minutes of December 3, 2003.

MOTION: Kerry Casaday moved to accept the Utah State Building Board meeting minutes of December 3, 2003. The motion was seconded by Manuel Torres and passed unanimously.

☐ **ELECTION OF VICE-CHAIR.....**

Chair Jardine stated the Chairman is an appointed position and the Vice Chair is elected by the Board. He sought comments on electing the Vice Chair position recently vacated.

MOTION: Kerry Casaday moved to elect Manuel Torres as Vice Chair. Manuel Torres declined due to his location and not being able to respond timely. Kerry Casaday withdrew his motion.

MOTION: Manuel Torres moved to elect Kerry Casaday as Vice Chair. The motion was seconded by Katherina Holzhauser and passed unanimously.

☐ **GOVERNOR'S BUDGET RECOMMENDATIONS**

Kenneth Nye stated Governor Walker's budget recommendations were released on December 15 for the upcoming legislative session and were summarized in the included memo. The capital development projects recommended by the Governor included the Oxbow Jail, which was recommended at a much smaller amount of \$729,000 to purchase additional property, \$3,474,000 for improvements, and \$7 million for the purchase of the jail. The original appraisal was for \$15 million. Governor Walker requested DFCM to contact Salt Lake County to discuss the purchase. Keith Stepan had prepared a written proposal and is waiting for their response. The Governor also recommended the Ogden Regional Center, which was the Building Board's top priority after capital improvements, as well as a first phase of funding of \$50 million for the Capitol building restoration. The Capitol building and the Oxbow Jail were recommended as general obligation bonds, and another \$102 million was recommended highways totaling \$163 million in general obligation bonds.

Concerns have been raised regarding the general increase of the State's debt and what is being paid off versus new debt being authorized. The general obligation bonds being repaid in FY2005 totaled almost \$135 million, which is \$25 million less than the recommendation. Unfortunately, highway construction has increased the debt level of the state over the last five years.

The Ogden Regional Center and the ABC Commission projects were recommended to be funded as a lease revenue bond and would be repaid through the rent budgets of the agencies and increased sales for ABC. The lease revenue bond recommendation totaled approximately \$17 million and approximately \$41 million would be repaid in FY2005, with approximately \$23 million coming from the U of U housing Olympic revenues.

Governor Walker recommended all other funds projects recommended by the Board excluding the Correctional Industries Expansion in Gunnison (\$1,000,000) and the Southeast ATC building in Blanding (\$200,000) as they were not received in time for consideration.

Projects with economic sense, but not recommended, will have other alternatives explored in attempt to pursue the projects. Randa Bezzant stated the Governor raised concerns with the State's debt level and kept her recommendation of bonding as minimal as possible. Utah currently has a very favorable rating which they wish to maintain.

Representative Pace stated Kent Michie recently reported several factors are considered with a AAA bonding factor. Over the last decade, Utah has gone from being a low bond state to a mid-high bonding state. Utah must continue to provide structural balance in order to retain the AAA bonding rate. The Capital Facilities Sub-appropriation Committee is frustrated with the road construction funding while dire needs exist in buildings. The Committee hopes to encourage a better balance this year and ensure facilities are available for the future.

Governor Walker also recommended that the few million dollars in the capital budget be redirected to other needs. The Legislature is anticipated to make the same recommendation causing building projects to be funded out of a bond with the exception of capital improvements.

Mr. Nye reported Governor Walker recommended \$43,977,000 for capital improvements, which is the .9% of the replacement cost level. While the 1.1% remains in statute, the .9% may be implemented during budget difficulties.

DFCM requested to have the general funds restored for DFCM's administrative budget to manage projects, which not recommended by the Governor. DFCM was recommended to

be funded out of project reserve and contingency funds, which only has sufficient balances to cover one more year. This is an increasing concern within the stability of the group and while recruiting replacement FTEs.

Keith Stepan added that the capital improvement budget of .9% is low compared to industry, corporations and other institutions, but is comparable to other states. Unfortunately, \$200 million has been requested for capital improvements in the next year. While the deferred maintenance needs increase, DFCM is only able to meet emergency needs rather than scheduled needs.

❑ CAPITOL BUILDING RESTORATION

David Hart, Executive Director of the Capital Preservation Board, presented the Board with details of the restoration of the Utah State Capitol regarding future expectations for the Capitol and background on what has occurred. The presentation covered the progress, structural/mechanical/electrical issues, the age of the Capitol, stewardship responsibilities and the funding needs for the current year.

In 2000, the Capitol Preservation Board prepared a 20 year master plan. They also completed a historic structures report and began the development of design guidelines and imperatives for phase 1 and phase 2 of that master plan, which were the east and the west building guidelines.

In 2001, the Capitol Preservation Board accomplished completing the design guidelines and imperatives, the master plan, selecting the design team for the new east and west buildings, and the construction manager.

Construction of the extension buildings and the parking structure took place in 2002. The Construction Manager and Architect for the Capitol were also selected.

The Capitol Preservation Board began some demolition of various elements within the building in 2003 in an attempt to discover the complexities within the Capitol. Over 17 design workshops were held, scope documents were developed, and pricing structures were verified to begin procuring \$10 million in long lead items such as stone, terracotta, and historic lighting. Mr. Hart had finalized a 30% cost analysis on the project's progress and appeared to be on budget.

Mr. Hart highlighted events for 2004. On March 31 the Capitol Preservation Board will receive the completed east and west buildings and begin occupancy. Mr. Hart noted the buildings were currently on time and budget and had no change orders to date. Occupancy of the new building will commence on April 1. The asbestos issues were greater than anticipated. On June 1, the asbestos abatement will begin on the Archives building. The

Capitol will close for restoration on July 30. On August 1, asbestos abatement in the Capitol will begin, historic elements will be removed, demolition will begin on the Archives building and excavation will occur around the building to remove all of the mechanical, electrical and gas lines to prepare for base isolation, which will begin September 1. The Capitol Preservation Board was hopeful the Capitol will be completed by 2007 with some additional work taking place in 2008. The Legislative session would be held in the Capitol in 2008.

When the Capitol was constructed, the seismic issues were not fully addressed, and the Capitol lacks reinforcing, and the concrete strength is very poor in lateral load. During a sizable earthquake, the Capitol would collapse and injure most of the occupants. Mr. Hart showed an example of what would occur with the Capitol in an anticipated 7.3 earthquake. The earthquake would move the parapet over 12 inches, but at eight inches, the building would begin to yield and at nine inches it would collapse. The dome would move over 18 to 20 inches in this type of earthquake. The Capitol drum is extremely weak and tests have shown the concrete strength is substantially lower than is acceptable. Over time moisture has seeped into the dome and because of the type of sand and gravel and cement used, a chemical reaction occurred in the dome structure which is weakening the structure. The drum is currently the weakest part of the Capitol and is most vulnerable to collapse. Standard seismic stabilization or shear walls would only enhance the problem. Mr. Hart demonstrated how the Capitol would react with shear walls and the fact that it would actually drive the forces into the top of the dome causing it to move even much more than if shear walls didn't exist.

The columns on the building are virtually unsupported and have no lateral load resisting capacity and will aid the collapse. The columns around the building are segmented with no resisting elements in between. Once they base isolate, they can epoxy to allow the columns to withhold the load. The columns on the inside of the building are monolithic; however, they have hollowed out the center of the column to support the third floor. In the event of an earthquake the column would serve only as a beam and would bring down the third and fourth floor of the Capitol.

If the building were put on base isolators, the deformation in the members would not change and would hold vertical. He again showed a shake table which displayed what base isolation does in a 7.2 earthquake.

Mr. Hart showed four piers holding up the rotunda and the dome which would require excavation around the foundations and new structural foundations to be placed. They would then place the isolators on the new foundation. Upon those, they would build 12 foot deep structural beams which would penetrate through the existing footing and foundation walls using post tensioning. They would then cut the existing foundations free and the building would ride on the new super structure.

Mr. Hart stated the Capitol's mechanical systems are basically failing and disintegrating. The building does not meet modern codes and the only solution to resolve the problems is to replace the entire mechanical system. The electrical system was also not originally designed for the high level of energy being used requiring the complete electrical system to be replaced.

Due to the aging of the Capitol, there is granite falling off of the pediments, cracks in the terracotta and water intrusions, which is destroying the art work.

In regards to heritage, the Capitol symbolizes the freedoms and openness of government and is the embodiment of our constitution. Our forefathers struggled for over 50 years to build the Capitol for almost \$3 million almost 100 years ago. Approximately 30,000 school children visit the Capitol every year to understand their heritage. The stewardship of the Capitol has been left to the citizens of Utah to save and restore for future generations.

The Capitol Preservation Board requested authorization to proceed forward with the project and anticipated the funding would be developed each year from cash flow analysis developed by Mr. Hart and the Construction Manager. Each fiscal year the amount required for the project would be requested and reported to the Governor and the Legislature. \$50 million was requested each year for FY2005, FY2006, and FY2007, and \$35 million was requested for FY2008 for a total of \$185 million. Furniture, artwork and technology are expected to add an addition \$13 million to the total budget.

Manuel Torres inquired about the price per square foot on the two completed wings. Mr. Hart did not have the itemized figures since the funds included seismically upgrading and restoring the parking structure and completing the plaza. The east plaza totaled \$8 million and the total project was \$44-45 million. The square footage of the two buildings totaled approximately 180,000sf, not including the east building parking. Mr. Hart offered to provide itemized figures to DFCM for distribution.

Kerry Casaday asked if base isolation was used in other buildings throughout the valley. Mr. Hart responded that it was used on the City and County Building and the Emergency Center in Salt Lake County. San Francisco had several buildings completed with base isolation comparable to the Capitol.

Keith Stepan stated the Capitol building is an architectural treasure and it ranks high among the Capitols in the nation for its history, heritage and architecture. He asked Mr. Hart to comment on the use of the east and west buildings pertaining to the transition. Mr. Hart stated the east and west buildings would be used as swing facility when the Capitol is vacated. The Executive branch would temporarily relocate to the east building and the Legislative branch would relocate to the west building. Upon the Capitol's completion,

some of the Executive branch would return to the Capitol along with the Senate and House offices and Leadership, and the west building would house Legislative Research and General Counsel, the Legislative Fiscal Analysts office and the Legislative Auditor General. Several new committee rooms will also be built out at that time. The east building will continue to house the cafeteria and the Auditor, Treasurer, and Attorney General.

Mr. Hart stated part of the 20 year master plan is a recommendation to analyze and study the State Office Building with options to replace the building or upgrade the building. Several space planning problems exist with the current building, therefore, the recommendation may be to demolish the State Office Building and to build a third building similar to the east and west building.

Keith Stepan stated DFCM does not have direct link to the Preservation Board, but have some oversight and financial responsibilities. DFCM will also perform the maintenance and address the code and building approval issues.

Colonel Craig Morgan, Utah National Guard, stated the Utah National Guard is building a readiness center on 1700 South and 2200 West as part of an emergency operations center. He thought there may be synergy by combining the effort of the command center demolition into the emergency operations center. He and Mr. Hart agreed to discuss the prospect after the meeting.

❑ LEGISLATIVE PREVIEW.....

Some Legislators have taken an early position regarding not bonding this session with the exception of the Capitol. This may have a significant impact on the capital budget.

Typically the Building Board and Capital Facilities Committee convene on the afternoon of the February meeting and at this time would be able to discuss capital facilities issues. The Legislative session begins January 19 and ends on March 3.

Mr. Nye was aware of one piece of legislation sponsored by Representative Wayne Harper that would have a substantial impact on DFCM. The bill had not been published, but Mr. Nye provided Representative Harper with a substantial amount of feedback regarding the bill and was waiting for the final results. The bill would require DFCM to establish a dispute and claims resolution process through an administrative rule. By placing it in rule, the issue would become more flexible and could be adapted to solve problems as they occur. Mr. Nye anticipated the bill will have some requirements regarding topics to be addressed in the rule.

Keith Stepan added that part of the intent of the legislation is to allow the subcontractors to have a process as well as the general contractors. This is an attempt to keep this as a

rules issue rather than a statute requiring legislative involvement. Kenneth Nye added that the biggest concern deals with how to resolve subcontractor issues when resolving the ability to have access to a claims process, but it shouldn't be left too broad.

Mr. Nye stated there have been several bills proposed to address the ability of subcontractors to access payment bonds. From reading the bills, he got the impression that some of the legislation's response is to try to remove some of the technical impediments raised in the past regarding subcontractors accessing payment bonds. Other bills affect mechanics liens on private construction. State projects are not subject to mechanics liens and this would not directly affect DFCM.

Mr. Nye referenced three bills that did not have text available at Board packet time. Since then, text had become available for the Contractor Licensing Amendments sponsored by Senator Parley Hellewell. Mr. Nye understood it dealt with changing a current ten year requirement to be a five year requirement, which would not have a direct impact on DFCM.

Mr. Nye had been unable to reach Representative Ure about this bill regarding the sale of real property by state agencies. There had been some concern in the past with the statute not including requirements for state agencies in selling property. Keith Stepan added that many agencies besides DFCM have the right to purchase and sell property, and this may be an oversight group.

Mr. Nye stated Representative Pace publicly opened a bill file dealing with art in capital facilities, which was currently unavailable. Representative Pace commented that last session they had to cut a few million out of the Utah State University library and some from Archives because they were so late in acquiring any kind of a bond. In speaking with the agencies and institutions, it was determined to cut the 1% for the art money, which created some controversy. Therefore, Representative Pace opened a bill file so she could control what happened in that area. She since met with the Arts Council who expressed they were comfortable with the current statutes, and she has abandoned the bill. Representative Pace wished to ensure presentations were made on its value prior to discussing the capital projects regarding the 1% for the arts. Kenneth Nye felt that this year there would be a clear indication from the Legislature as to whether art is included in projects which would help to clarify the problem.

Kenneth Nye stated there would be other pieces of legislation that may impact DFCM, but at this point in time he was not aware of any other items. Keith Stepan stated DFCM would be meeting with DAS executive leadership every morning and offered to provide updates as the Board desired.

☐ **MASTER PLAN FOR THE STATE CAMPUS IN BRIGHAM CITY AND NAMING OF BUILDING**

Chair Jardine stated at the last meeting, the Board discussed the master planning on the Brigham City campus and there were some decisions that were postponed. Kenneth Nye stated at the last meeting there was a lengthy discussion and presentation about the master plan proposed for Brigham City at the shopping center initially anchored by Grand Central and Albertsons. The presentation was included in the packet for reference.

Mr. Nye highlighted a few changes that occurred since the presentation. On the second page of the narrative document, the first bullet on page two was further clarified that USU has the ability to pursue state funding, capital improvement funding, or development funding for their space at the building. This is the first time DFCM has dealt with the continuing education aspects of higher education in a separate state owned building, but did not see a reason why USU would not have the same access as any other academic part of Higher Education.

Another change was expanded to recommend that USU space continue to be contiguous after it exceeds the capacity of Building H. This could occur by building a new building elsewhere on the property and then turning building H over to other state needs. Another alternative would be to demolish a portion of the space between the Fred Meyer and the Albertsons buildings and replace the area with a larger building that would better meet their needs. Both of those items are in the far future when they fill their building, but should be included as part of the master plan.

Utah State also had a former K-Mart building donated to them and the City was encouraging them to relocate there. Mr. Nye understood that Utah State would not pursue relocating to the K-Mart building, but would find another purpose for it.

A recommendation within the master plan indicated the Driver License office was substantially undersized for their needs and should be expanded in the near future. Expansion would involve taking some classroom space away from Utah State for Driver License and replacing the space for Utah State in the Fred Meyer building. Funding to cover the expansion of inadequate restroom space is also being recommended. Kevin Womack stated USU was pleased with the changes and were committed to staying in the Fred Meyer facility. Chair Jardine sought a motion on the master plan.

MOTION: Katherina Holzhauser moved to approve the Brigham City master plan as presented. The motion was seconded by Darren Mansell and passed unanimously.

Kenneth Nye stated Higher Education buildings typically are named through the Higher Education process. In this case, the property is actually owned by DFCM as opposed to Higher Education. The Building Board has a rule that whatever entity holds title to the building will then have the ability to decide upon a name. Buildings owned by DFCM

should have the Building Board approve any naming request for the building. USU requested naming the building after the donor of the K-Mart building as part of the donation agreement. Kevin Womack, Utah State University, provided further explanation and background regarding honorary donor. USU's criteria for naming a building indicated they needed to be a significant donor. Since USU elected to not use the K-Mart building, they needed to name the Brigham City building after the donor.

Mr. Womack stated the donor, Milton P. Miller, was born in 1918 as a child of Russian immigrants. He married his wife in 1949 and had two children. Mr. Miller was a real estate attorney by trade, which is how he became involved in property investments of which he made significant investments in K-Mart properties across the country. After his death, Mrs. Miller liquidated the assets and chose to make the K-Mart building a donation for an educational purpose. Mr. Miller felt education was an extremely important component in his life and was a supporter of Higher Education.

Kenneth Nye reiterated the Building Board held authority for naming the building and the request fit into the Building Board's rule.

MOTION: Darren Mansell moved to rename the Fred Meyer building to the Utah State University Milton P. Miller Continuing Education Facility. The motion was seconded by Katherina Holzhauser and passed unanimously.

☐ REALLOCATION OF CAPITOL IMPROVEMENT FUNDS.....

Kent Beers stated DFCM recommended the Building Board reallocate FY2004 capital improvement funding for the following projects including \$700,000 to the University of Utah to address Life Safety Issues at the Huntsman Center; \$163,000 to Southern Utah University for the design, asbestos abatement and interior demolition of the Old Main Building; \$300,000 to the Brigham City Education Center to expand restrooms and construct replacement classrooms for USU and remodel office space for the Drivers License Division; and \$39,000 to DFCM to hire a consultant to update the State's design standards.

Mr. Beers stated in FY2004, the Building Board authorized \$1,202,000 in improvement funding to upgrade the HVAC and fire sprinkling system at the Public Safety POST Academy. Subsequently, the Department of Public Safety has sought to relocate its POST operations to a new location on the Salt Lake Community College Campus. As a result, DFCM recommended the HVAC and fire sprinkling system project be postponed until a new use for the POST Academy Building is determined.

At the University of Utah, the Huntsman Center has an existing 35 year old fire alarm system that is failing and needs to be upgraded. A fire sprinkler system needs to be added to bring it into compliance with current fire and life safety codes and ADA alarm requirements. The \$700,000 in funding from the State will augment funds from the University to complete this project. The total of the upgrade including U of U funds would total \$1 million.

Back in FY2002, the Board was directed to authorize capital improvement money of \$1.5 million at Southern Utah University to upgrade the Old Main Building seismically and to seismically upgrade the Braithwaite building for another \$1.5 million. However, during planning, both buildings were determined to be in need of a complete HVAC and electrical upgrade which should be done in conjunction with the seismic upgrade. Because the University did not want both buildings out of commission at the same time, the Board transferred funds assigned to the Old Main project to the Braithwaite project with the understanding that additional funding would be obtained for the Old Main project after the Braithwaite project was completed. The Braithwaite project is now completed and the University is ready for DFCM to proceed with the Old Main project. University officials desire to have the Old Main renovation completed by July 15, 2005. In order to meet this schedule, it is necessary to move forward immediately with the design, asbestos abatement and interior demolition. DFCM recommended that \$163,000 be transferred, with funding for construction to be requested in the FY 2005 capital improvement cycle. The SUU will return to the Building Board in May with its FY2005 request and will have a very good estimate of the construction dollars needed to complete the project.

The Brigham City Education Center has a need to expand the Driver License office. USU currently occupies the space needed for the expansion of Driver License and consequently, DFCM wished to build two classrooms in the Miller Education Center and expand the restrooms in for Utah State University. This move will vacate the space next to the Driver License and allow them to expand the Driver License division office.

Lastly, the DFCM Design Standards were completed several years ago. Recent changes to the building code, fire code and improvements to materials and technologies have rendered the current standards obsolete. DFCM wished for \$39,000 to upgrade those standards. Selection of a consultant would be done through a selection process.

Steve Bankhead wondered if the Huntsman Center could raise private funds for their project so that these funds could be used for projects that do not get funded by the Legislature. Keith Stepan stated the University has come up with a good portion by raising \$300,000. The Board previously made an agreement to have DFCM involved in the process and the University finally had funds available for the project. Kenneth Nye added that DFCM couldn't use capital improvement money to address capital development issues.

Kerry Casaday asked if the \$163,000 would be part of the \$2,432,000 allocated for the Old main buildings remodel and seismic upgrade. Kent Beers responded it would and in August of 2003, the Building Board authorized \$143,000 to the Old Main project so they could proceed with design. The necessary funds were available for the Value Based Selection in the selection of a designer, if the Board chose not to move on this item.

Chair Jardine sought a motion on the reallocation of capital improvement funds.

MOTION: Cyndi Gilbert moved approval of the reallocation of the capital improvement funds as reviewed. The motion was seconded by Kerry Casaday and passed unanimously.

☐ DELEGATION OF PROJECTS TO THE U OF U AND USU

Keith Stepan stated DFCM has authority to delegate projects to the University of Utah and Utah State University for project management. DFCM asked the Board to consider authorizing delegating projects at the University of Utah Chemistry Gauss Haus and the Utah State University Recital Hall. Mr. Stepan wished to table the USU remodeling for expansion in Brigham City until USU and DFCM have a final program and understanding of the financial approach to the project.

The University of Utah Chemistry Gauss Haus was approved by the Legislature in 2002, with a smaller scope of \$1.5 million. As programming got underway, they saw the realities needed for future technology, and increased the program to \$7.6 million which exceeds the limit level of delegated projects of \$5 million allowed to the University of Utah. DFCM wished to make an exception and ask the Board to approve delegation based on the University already being heavily involved in the programming and management. This project is on the other funds list recommended by the Board and will return to the Legislature at the \$7.6 million level. The delegation would be based on receiving Legislative approval of the project.

Darren Mansell expressed concern with the project being a \$5.5 million difference. Mike Perez, University of Utah, responded Ron Pugmire, Associate Vice President for Research, explained to the Building Board in October 2003 meeting that when the budget was created at \$1.5 million in 2001-2002, the technology needs were not as great. Since that time, 50% of the project is being funded by NIH grants and 50% by research money from the University. During programming, the scope increased and stricter environmental controls became apparent. A potential increase for O&M did exist.

Kenneth Nye stated two issues were associated with the project, including one dealing with approval of the project itself, which received legislature approval at a lower scope in 2002. The University has been very upfront in the growth in the size of the project and has

chosen to return to the approval process because of the substantial change in the size. The second issue relates to project management. DFCM currently has an agreement in place allowing the University of Utah to manage their projects less than \$5 million, and DFCM to manage projects over \$5 million. There is the ability to allow exceptions to grant the University of Utah authorization to manage projects over \$5 million with Board approval.

Potential O&M increases were presented in the October meeting. The request for O&M has increased in size, but there is no requirement to fund it. The legislature would take action on the O&M when the building is ready to occupy.

Cyndi Gilbert felt it would be somewhat disingenuous for DFCM to manage the project if the funds were coming from national grants and the University of Utah.

MOTION: Steve Bankhead moved to approve the delegation of the Chemistry Gauss Haus to the University of Utah. The motion was seconded by Cyndi Gilbert and passed unanimously.

Kevin Walthers stated the request for operations and maintenance funds is a multi-step process. The Legislative Fiscal Analyst's office tries to determine how much Enrollment and Growth (E&G) activity will be taking place in the building and then will recommend the University request that amount for approval for O&M.

Cyndi Gilbert felt other funds were basically requested through larger institutions, specifically the University of Utah and Utah State University. She asked if DFCM had standards to help keep the O&M with the other institutions that did not have the ability to raise additional funds. Kevin Walthers stated some institutions can raise money more easily, sometimes receive criticism if they cannot raise funds for every project. He felt the Higher Education committee considered donated buildings when reviewing O&M requests, which is a difficult issue since O&M funds are not adjusted for inflation. Ms. Gilbert felt the Board should pay attention to this issue.

Keith Stepan stated the Utah State University requested delegation of the Recital Hall. The project was approved by the Legislature approximately 10 years ago, and they have since been working on completion of the funding and getting the donations of approximately \$8,340,000. DFCM wished to delegate the project at the request of USU.

MOTION: Steve Bankhead moved to delegate the Utah State University Recital Hall to Utah State University. The project was seconded by Manuel Torres and passed unanimously.

Chair Jardine sought a motion to table the request for delegation of the Utah State University remodeling for expansion in Brigham City.

MOTION: Manuel Torres moved to table the request for delegation of the Utah State University remodeling for expansion in Brigham City. The motion was seconded by Katherina Holzhauser and passed unanimously.

☐ ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH

Mike Perez, Utah State University, reported for the period of November 14 to December 17, 2003. There were two new A/E contracts awarded for the period including one for the South Jordan Medical Clinic to MHTN Architects and one to Cooper Roberts Simonsen Architects for the RMCOEH Conversion to Research Administration.

Darren Mansell asked if the South Jordan Medical Clinic was a build-out. Mr. Perez responded it was and it is a leased space and they are adding ten examination rooms, a small pharmacy, and a nurse's station. The contract amount was for the architect only.

MOTION: Steve Bankhead moved to approve the administrative report for the University of Utah. The motion was seconded by Cyndi Gilbert and passed unanimously.

Darren Mansell stated during the same period he also bid out a build-out on a medical complex and his design fee was 3% lower than the University of Utah's contract from the same standard of architectural firm. He felt that because the state does not bid, they pay more.

There was no report available for Utah State University.

Kenneth Nye commented he had asked for the University of Utah and Utah State University to begin including an executive summary describing the major issues in the report.

☐ ADMINISTRATIVE REPORTS FOR DFCM

Keith Stepan referenced the lease report and stated a difficult lease was settled in Park City. There were seven agreements with A/E firms and 61 construction contracts issued. He also referenced the contingency reserve fund, which will fund DFCM over the next year.

☐ OTHER

Keith Stepan stated DFCM intended to bring the Board a final report on Value Based Selection and a review for approval of the changes that would be made through the process. The project has been a bigger job than anticipated and will be presented at the February meeting. This will still be in time for legislative review. Chair Jardine sought committee members for three VBS projects.

Larry Jardine will serve on the Parks and Recreation Willard Bay Recreation Facility Improvements selection committee on February 4 and 9, 2004.

Kerry Casaday will serve on the selection committee for the Southern Utah University Old Main building remodel and seismic upgrade on January 21 and 28, 2004.

Steve Bankhead will serve on the selection committee for UDOT Region One office expansion (A/E selection) on January 22 and 28, 2004.

The next Utah State Building Board meeting will be held at the Department of Alcoholic Beverage Control on February 4, 2004. The Board will tour the facility after the meeting and then meet with the Capital Facilities Sub-appropriation Committee in the afternoon.

Kenneth Nye stated each year DFCM publishes the Board's five year building program as a formal document. It is currently at the printer and the Board should expect to receive it in the mail later the next week. The book is currently available on the Building Board's web site.

❑ ADJOURNMENT.....

MOTION: Cyndi Gilbert moved to adjourn at 10:57am. The motion was seconded by Steve Bankhead and passed unanimously.

Minutes prepared by: Shannon Lofgreen